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Latin American Trends

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LATIN AMERICAN TRENDS

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ANNEX

Argentina: No Moves on the Political Front

Since their takeover last March, Argentina's ruling generals have made demonstrable progress against the twin problems--leftist terrorism and economic disorder--they had singled out for pricrity treatment. Problems of a political nature, however, have gone begging. The generals have made no serious effort to construct a popular base of support nor to rehabiliate civilian institutions, both of which will be necessary to ease the eventual return to democracy they promise.

The junta has chosen instead to sideline all civilian politics for an indefinite period while it gets on with what it considers the real job at hand. To do this, the officers outlawed all partisan activity, dissolved congress, and are carefully controlling organized labor. The most notorious of the Peronist labor leaders and politicians still are in jail or in exile. The press, while not completely muzzled, is closely watched.

Thus far, at least, the strategy appears to be working. With no evidence of serious popular dissatisfaction, the officers have made inroads against the guerrillas and scored encouraging results on the economic front. The number of terrorists killed or captured continues to mount, as does the number of important safesites destroyed. The recent killing of Peoples Revolutionary Army leader Santucho gave the security forces a particular psychological lift. Economic results have been even more gratifying; monthly inflation is down dramatically, the stock market has soared, and foreign financial assistance is flowing into Buenos Aires.

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These important gains have come only at great cost. The counter-insurgency struggle, for example, has unleashed a wave of abuses and counter violence on the part of security officials acting with at least the tacit support of some ranking military authorities. The junta's anti-inflation program has produced a recession, which in turn has meant economic hardship for many accustomed to guaranteed employment and periodic wage increases.

Organized labor, the civilian sector that has the greatest disruptive potential, has been the hardest hit by the junta's policies. The March coup toppled labor from its long-privileged position and placed it under close federal supervision. It lost virtually all its top leaders and its right to strike or engage in any but the most routine bureaucratic functions.

Under the military, workers have been unable to catch up with the continuing high cost of living, because wages have been kept near the levels they had reached just before the coup. Unemployment has grown as production declined in the face of slackened demand. Moreover, the junta continues to stress the need to reduce the bloated government payrolls.

Workers, who at best distrust any military regime, may well have begun to resent the junta's frankly pro-business policies. To date the government has:

--adopted substantial price supports and special lines of credit for farmers;

--enacted special tax incentives for business;

--lifted price controls;

--made special overtures to multi-national firms.

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In effect, the junta may well have added to the historical antagonism between urban labor, on the one hand, and business and agricultural entrepreneurs on the other. The presence of Dr. Martinez de Hoz, scion of a wealty land-owning family,as top economic policy maker, cannot fail to contribute to such antagonism.

Continued relative deprivation for workers may yet seriously alienate them. When and if aroused, labor would be a formidable opponent. Workers are accustomed to getting their own way and do not shy away from confrontation tactics. It is likely, moreover,that leftist infiltrators are seeking to exploit their frustration. Although labor is generally conservative, at least some workers could in time prove susceptible to the blandishments of those who play on themes such as hard economic times and lost political clout.

Junta policies could eventually alienate other sectors of the populace as well. The political and administrative hold maintained by the military officers at all levels of federal and provincial government is bound to rankle many Argentines. Specific groups, notably politicians, journalists, and to a lesser extent academics, are also adversely affected by the officers' authoritarian rule and have little prospect of receiving any concessions from the government.

All Argentines are greatly disturbed by political violence. Their fears of the relatively indiscriminate actions of the right, however, may soon surpass their fears of violence from the left, which generally has been highly selective. Few believe that abuses and murders of known and suspected leftists are junta policy, but concern continues to mount that the government is powerless to stop such activity.

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Rightist abuses in particular have blunted the efforts of President Videla and others who support him to maintain an even-handed approach to governing. Videla has, for example, consistently avoided public castigation of the ousted Peronists, preferring instead the rhetoric of conciliation.

Videla's feelings on this score, however, are not universally shared by his military colleagues. A number of officers are known to favor still more arrests and stiffer punishment of Peronist leaders, as well as the complete and irrevocable dismantling of the labor movement. Such officers oppose not only Videla's soothing rhetoric, but occasional, tentative efforts to open a dialogue with selected leaders of labor and other groups, and indications of such attempts have become less frequent.

The resolution of this difference of opinion is not in sight, and it is by no means certain that Videla and his supporters will prevail. The President may be trying to neutralize some of the officers who in a variety of areas favor tougher, more punitive measures. If he succeeds in this, he may be able to initiate a process of genuine political conciliation with broad sectors of the populace. If he does not, widespread disaffection may be generated which could only complicate life for the junta and make its goals harder to achieve. [redacted] 3.5(c)

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